

EXHIBIT 16



151 Farmington Avenue
Hartford, Connecticut 06115

THE AETNA CASUALTY AND SURETY COMPANY
Hartford, Connecticut 06115

These Declarations and Products Liability Insurance Coverage
Part and Endorsements, with the General Provisions for
Liability Policies, complete this

PRODUCTS BODILY INJURY AND PROPERTY DAMAGE LIABILITY POLICY

1. NAMED INSURED AND ADDRESS Johnson & Johnson (See Section II)
New Brunswick, New Jersey
POLICY NUMBER 38 PK 04 SCA(Y)
2. Policy Period
From 1-1-73 to 1-1-74 12:01 A.M.
Standard Time at the address of the
named insured as stated herein. *Agreed by Policy # 38 PK 04 SCA(1)*
3. The limits of the Company's liability shall be as stated herein, subject
to all the terms of this policy having reference thereto.

Limits of Liability

<u>Coverage</u>	<u>Each Claim</u>	<u>Aggregate per Product</u>	<u>General Aggregate</u>
Bodily Injury and Property Damage Liability Combined	\$5,000,000	\$5,000,000	\$5,000,000
4. Deductible Amount:	\$2,000,000 Each Claim \$2,500,000 Per Product Aggregate \$3,000,000 General Aggregate		
5. Premium subject to audit: Flat Charge: Total advance and Minimum premium			
6. Rates:	See Section VI		
7. During the past three years no insurer has cancelled insurance, issued to the Named Insured, similar to that afforded herein, unless otherwise stated herein:			

Countersigned by *[Signature]*

(3-29-74)

I. BODILY INJURY LIABILITY - PROPERTY DAMAGE LIABILITY

The Company will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as Damages because of Bodily Injury or Property Damage to which this insurance applies, caused by an Occurrence, if the Bodily Injury or Property Damage is included within the Products Hazard, and the Company shall have the right and duty to defend any suit against the Insured seeking Damages on account of such Bodily Injury or Property Damage even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgements or settlement.

Exclusions

This insurance does not apply:

- (a) to any obligation for which the Insured or any carrier as his insurer may be held liable under any Workmen's Compensation, unemployment compensation or disability benefits law, or under any similar law;
- (b) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under a contract.
- (c) to loss of use of tangible property which has not been physically injured or destroyed resulting from
 - (1) delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or
 - (2) the failure of the named insured's product to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;
 but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products after such products have been put to use by any person or organization other than an insured;
- (d) to Property Damage to the Named Insured's products arising out of such products or any part of such products;
- (e) to Damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the Named Insured's products or of any property of which such products form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect in or deficiency therein,

II. PERSONS INSURED

Each of the following is an Insured under this insurance to the extent set forth below:

- (a) the Named Insured, which shall read: Johnson & Johnson and any affiliated, associated or subsidiary company in any tier as now or hereafter may be formed, acquired or constituted or any other company over which Johnson & Johnson has or acquires active control or management, so long as Johnson & Johnson or such affiliated, associated or subsidiary company, or any combination thereof, owns in excess of 50% of the stock of such company;
- (b) any officer, director, stockholder or employee thereof while acting on behalf of the Named Insured.
- (c) any person or organization (herein referred to as "Vendor") as an insured, but only with respect to Bodily Injury or Property Damage arising out of the distribution or sale in the regular course of the Vendor's business of the Named Insured's Products subject to the following additional provisions:

(1) The insurance with respect to Vendors does not apply to:

- a. any express warranty unauthorized by the Named Insured;
- b. Bodily Injury or Property Damage arising out of

(I) any physical or chemical change in the form of the product made intentionally by the Vendor.

(II) repacking, unless unpacked solely for the purpose of inspection or testing under instructions from the manufacturer and then repacked in the original container.

(III) rendering of or failure to render any professional service.

This insurance does not apply to Bodily Injury or Property Damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons who sustain Bodily Injury or Property Damage, or (3) claims made or suits brought on account of Bodily Injury or Property Damage, the Company's liability is limited as follows:

The limit of liability stated in the declaration as applicable to "each claim" is the total limit of the Company's liability for all Damages and for all expenses incurred under the Supplementary Payments Provisions (other than salaries of the Company's employees) because of Bodily Injury or Property Damage to any one person.

Subject to the above provision respecting "each claim", the limit of liability stated in the declaration as "aggregate per product" is the total limit of the Company's liability during the policy period for all Damages and for all expenses incurred under the Supplementary Payments Provision (other than salaries of the Company's employees) because of all Bodily Injury or Property Damage arising out of each product.

Subject to the above provisions respecting "each claim" and "aggregate per product" the limit of liability stated in the declarations as "general aggregate" is the total limit of the Company's liability during the policy period for all Damages and for all expenses incurred under the Supplementary Payments Provision (other than salaries of the Company's employees) to which this coverage applies.

Subject to the above provisions respecting "each claim", "aggregate per product" and "general aggregate" the limit of the Company's liability shall be the difference between any deductible amount stated in the policy and the limit of liability stated in the declaration page.

For the purpose of determining the limit of the Company's liability and the deductible amount each product shall be considered as a separate product from any other product which contains the same active ingredient or ingredients plus one or more other active ingredients (active ingredients do not include fillers, dyes or flavoring). A product shall not be considered to be a separate product solely because it is produced in various vehicles, dosages or strengths. All oral contraceptives shall be considered as one drug product.

IV. AMENDMENT TO SUPPLEMENTARY PAYMENTS PROVISION

Any payments made by the Company under the Supplementary Payments Provision (exclusive of salaries of the Company's employees) shall not be in addition to the limits of liability stated in the declarations, but shall, for the purpose of determining such limits of liability, be a part thereof.

V. WORLDWIDE COVERAGE (INDEMNITY BASIS)

It is agreed that the insurance afforded also applies to Bodily Injury or Property Damage which occurs, during the policy period, outside the Policy Territory, provided such Bodily Injury or Property Damage is included in the Completed Operations Hazard or Products Hazard.

With respect to any claim made or suit instituted outside the Policy Territory:

- (a) the Insured shall undertake the investigation, settlement and defense of such claims and suits and keep the Company advised of all such proceedings and actions, and
- (b) the Company's obligation under this policy shall be limited to reimbursement of the Insured

- (1) for the amount of damages because of liability imposed upon him by law on account of Bodily Injury or Property Damage to which the insurance applies, and
- (2) for all reasonable expenses incurred in connection with the investigation, settlement or defense of such claims or suits, and the Company's reimbursement obligation for the sum of all damages imposed on and expenses incurred by the Insured shall be limited to the amount stated in the policy as the applicable limit of the Company's liability for damages but the Company may, at its discretion, participate in the defense or settlement of any such claim or suit.

VI. RATES

The "premium subject to audit" portion of this policy shall be adjusted on the following rates:

<u>Estimated Sales</u>	<u>Rates Per \$1,000</u>	<u>Estimated Premiums</u>
Prescription Drugs - [REDACTED]	[REDACTED]	[REDACTED]
All other Products - [REDACTED]	[REDACTED]	[REDACTED]

The premium developed by these rates on audit plus the deductible flat charge are subject to a policy minimum premium of [REDACTED].

AETNA CASUALTY AND SURETY COMPANY

BY

A.E. Thompson

(3-29-74)

by the provisions of the policy relating to the following:

PRODUCTS LIABILITY INSURANCE

Deductible Endorsement

It is agreed that the insurance applies subject to the following additional provisions:

1. The Company's obligation under the Bodily Injury Liability and Property Damage Coverage to pay damages and to pay expenses incurred under the Supplementary Payments Provision (other than salaries of the Company's employees) on behalf of the insured applies only to the amount of damages and such expenses in excess of the deductible amounts stated in the declarations.
2. The deductible amounts stated in the declarations apply as follows:
 - a. The deductible amount stated as applicable to "each claim" applies to all damages and expenses incurred under the Supplementary Payments Provision (other than salaries of the Company's employees) because of all Bodily Injury or Property Damage sustained by one person as the result of any one occurrence;
 - b. The total deductible amount applicable to all Bodily Injury or Property Damage to which this insurance applies and arising out of any one type of product as defined in Section III shall not exceed the deductible amount stated in the declarations as applicable to "Aggregate per Product";
 - c. The total deductible amount applicable to all Bodily Injury or Property Damage to which this insurance applies and arising out of all products shall not exceed the deductible amount stated in the declarations as applicable to "General Aggregate".
3. The terms of the policy, including those with respect to (a) the Company's rights and duties with respect to the defense of suits and (b) the insured's duties in the event of an occurrence apply irrespective of the application of the deductible amount.
4. The Company may pay any part or all of the deductible amount to effect settlement of any claim or suit and the named insured shall reimburse the Company for such part of the deductible amount as has been paid by the Company. Such reimbursement shall be made on a monthly basis.
5. The named insured shall pay an additional premium, which shall be charged to the named insured each time there is reimbursement under paragraph 4, by means of an endorsement to be issued to the policy at that time. Such premium shall be calculated by applying the following factor to each reimbursement made in accordance with paragraph 4:

20.6% of each claim up to \$75,000 each claim.



COMPREHENSIVE AUTOMOBILE LIABILITY INSURANCE

**CAL
PART**

I. BODILY INJURY LIABILITY COVERAGE PROPERTY DAMAGE LIABILITY COVERAGE

The **company** will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of

**bodily injury or
property damage**

to which this insurance applies, caused by an **occurrence** and arising out of the ownership, maintenance or use, including loading and unloading, of any **automobile**, and the **company** shall have the right and duty to defend any suit against the **insured** seeking damages on account of such **bodily injury** or **property damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the **company** shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the **company's** liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the **insured** under any contract or agreement;
- (b) to any obligation for which the **insured** or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (c) to **bodily injury** to any employee of the **insured** arising out of and in the course of his employment by the **insured** or to any obligation of the **insured** to indemnify another because of damages arising out of such injury;
but this exclusion does not apply to any such injury arising out of and in the course of domestic employment by the **insured** unless benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (d) to **property damage** to
 - (1) property owned or being transported by the **insured**, or
 - (2) property rented to or in the care, custody or control of the **insured**, or as to which the **insured** is for any purpose exercising physical control, other than **property damage** to a residence or private garage by a **private passenger automobile** covered by this insurance;
- (e) to **bodily injury** or **property damage** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing, with respect to expenses for first aid under the Supplementary Payments provision;
- (f) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental.

II. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) the **named insured**;
- (b) any partner or executive officer thereof, but with respect to a **non-owned automobile** only while such **automobile** is being used in the business of the **named insured**;
- (c) any other person while using an **owned automobile** or a **hired automobile** with the permission of the **named insured**, provided his actual operation or (if he is not operating) his other actual use thereof is within the scope of such permission, but with respect to **bodily injury** or **property damage** arising out of the loading or unloading thereof, such other person shall be an **insured** only if he is:
 - (1) a lessee or borrower of the **automobile**, or
 - (2) an employee of the **named insured** or of such lessor or borrower;
- (d) any other person or organization but only with respect to his or its liability because of acts or omissions of an **insured** under (a), (b) or (c) above.

None of the following is an **insured**:

- (i) any person while engaged in the business of his employer with respect to **bodily injury** to any fellow employee of such person injured in the course of his employment;
- (ii) the owner or lessee (of whom the **named insured** is a sub-lessee) of a **hired automobile** or the owner of a **non-owned automobile**, or any agent or employee of any such owner or lessee;
- (iii) an executive officer with respect to an **automobile** owned by him or by a member of his household;
- (iv) any person or organization, other than the **named insured**, with respect to:
 - (1) a motor vehicle while used with any trailer owned or hired by such person or organization and not covered by like insurance in the **company** (except a trailer designed for use with a **private passenger automobile** and not being used for business purposes with another type motor vehicle), or
 - (2) a trailer while used with any motor vehicle owned or hired by such person or organization and not covered by like insurance in the **company**;
- (v) any person while employed in or otherwise engaged in duties in connection with an **automobile business**, other than an **automobile business** operated by the **named insured**.

This insurance does not apply to **bodily injury** or **property damage** arising out of

- (1) a **non-owned automobile** used in the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**, or
- (2) if the **named insured** is a partnership, an **automobile** owned by or registered in the name of a partner thereof.

III. LIMITS OF LIABILITY

Regardless of the number of

- (1) **insureds** under this policy,
- (2) persons or organizations who sustain **bodily injury** or **property damage**,
- (3) claims made or suits brought on account of **bodily injury** or **property damage** or
- (4) **automobiles** to which this policy applies,

the **company's** liability is limited as follows:

Bodily Injury Liability Coverage The limit of **bodily injury** liability stated in the declarations as applicable to "each person" is the limit of the company's liability for all damages, including damages for care and loss of services, because of **bodily injury** sustained by one person as the result of any one **occurrence**; but subject to the above provision respecting "each person", the total liability of the company for all damages, including damages for care and loss of services, because of **bodily injury** sustained by two or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the declarations as applicable to "each **occurrence**".

Property Damage Liability Coverage The total liability of the **company** for all **damages** because of all **property damage** sustained by one or more persons or organizations as the result of any one **occurrence** shall not exceed the limit of **property damage** liability stated in the declarations as applicable to "each **occurrence**".

Bodily Injury and Property Damage Liability Coverage For the purpose of determining the limit of the **company's** liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

IV. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs within the territory described in paragraph (1) or (2) of the definition of **policy territory**.

V. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**automobile business**" means the business or occupation of selling, repairing, servicing, storing or parking **automobiles**;

"**hired automobile**" means an **automobile** not owned by the **named insured** which is used under contract in behalf of, or loaned to, the **named insured**, provided such **automobile** is not owned by or registered in the name of (a) a partner or executive officer of the **named insured** or (b) an employee or agent of the **named insured** who is granted an operating allowance of any sort for the use of such **automobile**;

"**non-owned automobile**" means an **automobile** which is neither an **owned automobile** nor a **hired automobile**;

"**owned automobile**" means an **automobile** owned by the **named insured**;

"**private passenger automobile**" means a four wheel private passenger or station wagon type **automobile**;

"**trailer**" includes semi-trailer but does not include **mobile equipment**.

VI. ADDITIONAL CONDITION

Excess Insurance—Hired and Non-Owned Automobiles

With respect to a **hired automobile** or a **non-owned automobile**, this insurance shall be excess insurance over any other valid and collectible insurance available to the **insured**.

COMPREHENSIVE GENERAL LIABILITY INSURANCE

CGL PART

I. BODILY INJURY LIABILITY COVERAGE PROPERTY DAMAGE LIABILITY COVERAGE

The **company** will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of

bodily injury or property damage

to which this insurance applies, caused by an **occurrence**, and the **company** shall have the right and duty to defend any suit against the **insured** seeking damages on account of such **bodily injury** or **property damage**, even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the **company** shall not be obligated to pay any claim or judgment or to defend any suit after the applicable limit of the **company's** liability has been exhausted by payment of judgments or settlements.

Exclusions

This insurance does not apply:

- (a) to liability assumed by the **insured** under any contract or agreement except an **incidental contract**; but this exclusion does not apply to a warranty of fitness or quality of the **named insured's products** or a warranty that work performed by or on behalf of the **named insured** will be done in a workmanlike manner;
- (b) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of
 - (1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or
 - (2) any other **automobile** or aircraft operated by any person in the course of his employment by any **insured**;
 but this exclusion does not apply to the parking of an **automobile** on premises owned by, rented to or controlled by the **named insured** or the ways immediately adjoining, if such **automobile** is not owned by or rented or loaned to any **insured**;
- (c) to **bodily injury** or **property damage** arising out of
 - (1) the ownership, maintenance, operation, use, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity or
 - (2) the operation or use of any snowmobile or trailer designed for use therewith;
- (d) to **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned or operated by or rented or loaned to any **insured**;
- (e) to **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, loading or unloading of
 - (1) any watercraft owned or operated by or rented or loaned to any **insured**, or
 - (2) any other watercraft operated by any person in the course of his employment by any **insured**;
 but this exclusion does not apply to watercraft while ashore on premises owned by, rented to or controlled by the **named insured**;
- (f) to **bodily injury** or **property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;
- (g) to **bodily injury** or **property damage** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing, with respect to
 - (1) liability assumed by the **insured** under an **incidental contract**, or

- (2) expenses for first aid under the Supplementary Payments provision;
- (h) to **bodily injury** or **property damage** for which the **insured** or his indemnitee may be held liable
 - (1) as a person or organization engaged in the business of manufacturing, distributing, selling or serving alcoholic beverages, or
 - (2) if not so engaged, as an owner or lessor of premises used for such purposes,
 if such liability is imposed
 - (i) by, or because of the violation of, any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage, or
 - (ii) by reason of the selling, serving or giving of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person;
 but part (ii) of this exclusion does not apply with respect to liability of the **insured** or his indemnitee as an owner or lessor described in (2) above;
- (i) to any obligation for which the **insured** or any carrier as his insurer may be held liable under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (j) to **bodily injury** to any employee of the **insured** arising out of and in the course of his employment by the **insured**, or to any obligation of the **insured** to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the **insured** under an **incidental contract**;
- (k) to **property damage** to
 - (1) property owned or occupied by or rented to the **insured**,
 - (2) property used by the **insured**, or
 - (3) property in the care, custody or control of the **insured** or as to which the **insured** is for any purpose exercising physical control;
 but parts (2) and (3) of this exclusion do not apply with respect to liability under a written sidetrack agreement and part (3) of this exclusion does not apply with respect to **property damage** (other than to **elevators**) arising out of the use of an **elevator** at premises owned by, rented to or controlled by the **named insured**;
- (l) to **property damage** to premises alienated by the **named insured** arising out of such premises or any part thereof;
- (m) to loss of use of tangible property which has not been physically injured or destroyed resulting from
 - (1) a delay in or lack of performance by or on behalf of the **named insured** of any contract or agreement, or
 - (2) the failure of the **named insured's products** or work performed by or on behalf of the **named insured** to meet the level of performance, quality, fitness or durability warranted or represented by the **named insured**;
 but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the **named insured's products** or work performed by or on behalf of the **named insured** after such products or work have been put to use by any person or organization other than an **insured**;
- (n) to **property damage** to the **named insured's products** arising out of such products or any part of such products;
- (o) to **property damage** to work performed by or on behalf of the **named insured** arising out of the work or any portion thereof, or out of materials, parts or equipment furnished in connection therewith;
- (p) to damages claimed for the withdrawal, inspection, repair, replacement, or loss of use of the **named insured's products** or work completed by or for the **named insured** or of any

property of which such products, work or property are withdrawn from the market or from use because of any known or suspected defect or deficiency therein;

- (q) to **property damage** included within:
- (1) the **explosion hazard** in connection with operations identified in this policy by a classification code number which includes the symbol "X";
 - (2) the **collapse hazard** in connection with operations identified in this policy by a classification code number which includes the symbol "C";
 - (3) the **underground property damage hazard** in connection with operations identified in this policy by a classification code number which includes the symbol "U".

II. PERSONS INSURED

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) if the **named insured** is designated in the declarations as an individual, the person so designated but only with respect to the conduct of a business of which he is the sole proprietor, and the spouse of the **named insured** with respect to the conduct of such a business;
- (b) if the **named insured** is designated in the declarations as a partnership or joint venture, the partnership or joint venture so designated and any partner or member thereof but only with respect to his liability as such;
- (c) if the **named insured** is designated in the declarations as other than an individual, partnership or joint venture, the organization so designated and any executive officer, director or stockholder thereof while acting within the scope of his duties as such;
- (d) any person (other than an employee of the **named insured**) or organization while acting as real estate manager for the **named insured**; and
- (e) with respect to the operation, for the purpose of locomotion upon a public highway, of **mobile equipment** registered under any motor vehicle registration law,
 - (i) an employee of the **named insured** while operating any such equipment in the course of his employment, and
 - (ii) any other person while operating with the permission of the **named insured** any such equipment registered in the name of the **named insured** and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an **insured** under this paragraph (e) with respect to:

- (1) **bodily injury** to any fellow employee of such person injured in the course of his employment, or
- (2) **property damage** to property owned by, rented to, in charge of or occupied by the **named insured** or the employer of any person described in subparagraph (ii).

This insurance does not apply to **bodily injury** or **property damage** arising out of the conduct of any partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

III. LIMITS OF LIABILITY

Regardless of the number of

- (1) **insureds** under this policy,
- (2) persons or organizations who sustain **bodily injury** or

AUTOMOBILE MEDICAL PAYMENTS INSURANCE

I. AUTOMOBILE MEDICAL PAYMENTS COVERAGE

The **company** will pay all reasonable **medical expense** incurred within one year from the date of the accident:

Division 1. to or for each person who sustains **bodily injury**, caused by accident, while **occupying a designated automobile** which is being used by a person for whom **bodily injury** liability insurance is afforded under this policy with respect to such use.

Division 2. to or for each **insured** who sustains **bodily injury**, caused by accident, while **occupying** or, while a pedestrian, through being struck by a **highway vehicle**.

Exclusions

This insurance does not apply:

- (a) to **bodily injury** to any person or **insured** while employed or otherwise engaged in duties in connection with an **automobile business**, if benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;

- (3) claims made or suits brought on account of **bodily injury**, **property damage**,

the **company's** liability is limited as follows:

Bodily Injury Liability Coverage The total liability of the **company** for damages, including damages for care a loss of services, because of **bodily injury** sustained by one or more persons as the result of any one **occurrence** shall not exceed the limit of **bodily injury** liability stated in the declarations as applicable to "each **occurrence**".

Subject to the above provision respecting "each **occurrence**", the total liability of the **company** for all damages because of

- (1) all **bodily injury** included within the **completed operation hazard** and
- (2) all **bodily injury** included within the **products hazard** shall not exceed the limit of **bodily injury** liability stated in the declarations as "aggregate".

Property Damage Liability Coverage The total liability of the **company** for damages because of all **property damage** sustained by one or more persons organizations as the result of any one **occurrence** shall not exceed the limit of **property damage** liability stated in the declarations as applicable to "each **occurrence**".

Subject to the above provision respecting "each **occurrence**", the total liability of the **company** for all damages because of **property damage** to which this coverage applies and described any of the numbered subparagraphs below shall not exceed the limit of **property damage** liability stated in the declarations "aggregate".

- (1) all **property damage** arising out of premises or operations rated on a remuneration basis or contractor's equipment rate on a receipts basis, including **property damage** for which liability is assumed under any **incidental contract** relating to such premises or operations, but excluding **property damage** included in subparagraph (2) below;
- (2) all **property damage** arising out of and occurring in the course of operations performed for the **named insured** by independent contractors and general supervision thereof by the **named insured**, including any such **property damage** for which liability is assumed under any **incidental contract** relating to such operations, but this subparagraph (2) does not include **property damage** arising out of maintenance or repairs to premises owned by or rented to the **named insured** or structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) all **property damage** included within the **products hazard** and all **property damage** included within the **complete operations hazard**.

Such aggregate limit shall apply separately to the **property damage** described in subparagraphs (1), (2) and (3) above, and under subparagraphs (1) and (2), separately with respect to each project away from premises owned by or rented to the **named insured**.

Bodily Injury and Property Damage Liability Coverage For the purpose of determining the limit of the **company's** liability, all **bodily injury** and **property damage** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

IV. POLICY TERRITORY

This insurance applies only to **bodily injury** or **property damage** which occurs within the **policy territory**.

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- (b) to **bodily injury** due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- (c) under Division 1, to **bodily injury** to any employee of the **named insured** arising out of and in the course of employment by the **named insured**, but this exclusion does not apply to any such **bodily injury** arising out of and in the course of domestic employment by the **named insured** unless benefits therefor are in whole or in part either payable or required to be provided under any workmen's compensation law;
- (d) under Division 2, to **bodily injury** sustained while **occupying highway vehicle** owned by any **insured**, or furnished for the regular use of any **insured** by any person or organization other than the **named insured**.

II. PERSONS INSURED—DIVISION 2.

Each of the following is an **insured** under this insurance to the extent set forth below:

- (a) any person designated as **insured** in the schedule;
- (b) while residents of the same household as such designated person

son, his spouse and the relatives of either. If such designated person shall die, any person who was an insured at the time of such death shall continue to be an insured.

III. LIMIT OF LIABILITY

The limit of liability for Automobile Medical Payments Coverage stated in the declarations as applicable to "each person" is the limit of the company's liability for all **medical expense** for **bodily injury** to any person, including any insured, as the result of any one accident.

When more than one medical payments coverage afforded by this policy applies to the loss, the company shall not be liable for more than the amount of the highest applicable limit of liability.

IV. ADDITIONAL DEFINITIONS

The additional definitions applicable to automobile bodily injury liability insurance also apply to this insurance, and when used in reference to this insurance (including endorsements forming a part of the policy).

"**designated automobile**" means an **automobile** designated in the schedule and includes:

- (a) an **automobile** not owned by the **named insured** while temporarily used as a substitute for an **owned automobile** designated in the schedule when withdrawn from normal use for servicing or repair or because of its breakdown, loss or destruction; and
 - (b) a trailer designed for use with a **private passenger automobile**, if not being used for business purposes with another type **automobile** and if not a home, office, store, display or passenger trailer;
- "**highway vehicle**" means a land motor vehicle or trailer other than
- (a) a farm type tractor or other equipment designed for use principally off public roads, while not upon public roads,
 - (b) a vehicle operated on rails or crawler-treads, or
 - (c) a vehicle while located for use as a residence or premises;

"**medical expense**" means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services;

"**occupying**" means in or upon or entering into or alighting from.

V. POLICY PERIOD; TERRITORY

This insurance applies only to accidents which occur during the policy period within the territory described in paragraph (1) or (2) of the definition of **policy territory**.

VI. ADDITIONAL CONDITIONS

Medical Reports; Proof of Claim As soon as practicable the injured person or someone on his behalf shall give to the company written proof of claim, under oath if required, and shall, after each request from the company, execute authorization to enable the company to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by the company when and as often as the company may reasonably require. The company may pay the injured person or any person or organization rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute an admission of liability of any person or, except hereunder, of the company.

Excess Insurance Except with respect to an **owned automobile**, the insurance under Division 1 shall be excess insurance over any other valid and collectible automobile medical payments or automobile **medical expense** insurance.

The insurance under Division 2 shall be excess insurance over any other valid and collectible automobile medical payments or automobile **medical expense** insurance available to the insured under any other policy.

Non-Applicability of Subrogation Condition

The Subrogation Condition does not apply to the Automobile Medical Payments Coverage.

UNINSURED MOTORISTS INSURANCE

I. UNINSURED MOTORISTS (Damages for Bodily Injury)

The company will pay all sums which the insured or his legal representative shall be legally entitled to recover as damages from the owner or operator of an **uninsured highway vehicle** because of **bodily injury** sustained by the insured, caused by accident and arising out of the ownership, maintenance or use of such **uninsured highway vehicle**; provided, for the purposes of this coverage, determination as to whether the insured or such representative is legally entitled to recover such damages, and if so the amount thereof, shall be made by agreement between the insured or such representative and the company or, if they fail to agree, by arbitration.

No judgment against any person or organization alleged to be legally responsible for the **bodily injury** shall be conclusive, as between the insured and the company, of the issues of liability of such person or organization or of the amount of damages to which the insured is legally entitled unless such judgment is entered pursuant to an action prosecuted by the insured with the written consent of the company.

Exclusions

This insurance does not apply:

- (a) to **bodily injury** to an insured with respect to which such insured, his legal representative or any person entitled to payment under this insurance shall, without written consent of the company, make any settlement with any person or organization who may be legally liable therefor;
- (b) to **bodily injury** to an insured while occupying a **highway vehicle** (other than an **insured highway vehicle**) owned by the **named insured**, any **designated insured** or any relative resident in the same household as the **named insured** or **designated insured**, or through being struck by such a vehicle, but this exclusion does not apply to the **named insured** or his relatives while occupying or if struck by a **highway vehicle** owned by a **designated insured** or his relatives;
- (c) so as to inure directly to the benefit of any workmen's compensation or disability benefits carrier or any person or organization qualifying as a self-insure under any workmen's compensation or disability benefits law or any similar law.

II. PERSONS INSURED

Each of the following is an insured under this insurance to the extent set forth below:

- (a) the **named insured** and any **designated insured** and while residents of the same household, the spouse and relatives of either;

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- (b) any other person while occupying an insured **highway vehicle**; and
- (c) any person, with respect to damages he is entitled to recover because of **bodily injury** to which this insurance applies sustained by an insured under (a) or (b) above.

The insurance applies separately with respect to each insured, except with respect to the limits of the company's liability.

III. LIMITS OF LIABILITY

Regardless of the number of insureds under this policy, the company's liability is limited as follows:

- (a) The limit of liability stated in the declarations as applicable to "each person" is the limit of the company's liability for all damages because of **bodily injury** sustained by one person as the result of any one accident and, subject to the above provision respecting "each person", the limit of liability stated in the declarations as applicable to "each accident" is the total limit of the company's liability for all damages because of **bodily injury** sustained by two or more persons as the result of any one accident.
- (b) Any amount payable under the terms of this insurance because of **bodily injury** sustained in an accident by a person who is an insured under this coverage shall be reduced by
 - (1) all sums paid on account of such **bodily injury** by or on behalf of
 - (i) the owner or operator of the **uninsured highway vehicle** and
 - (ii) any other person or organization jointly or severally liable together with such owner or operator for such **bodily injury**,
 including all sums paid under the **bodily injury** liability coverage of the policy, and
 - (2) the amount paid and the present value of all amounts payable on account of such **bodily injury** under any workmen's compensation law, disability benefits law or any similar law.
- (c) Any payment made under this insurance to or for any insured shall be applied in reduction of the amount of damages which he may be entitled to recover from any person or organization who is an insured under the **bodily injury** liability coverage of the policy.
- (d) The company shall not be obligated to pay under this insurance that part of the damages which the insured may be entitled to recover from the owner or operator of an **uninsured highway vehicle** which represents expenses for medical services paid or payable under the medical payments coverage of the policy.

IV. POLICY PERIOD; TERRITORY

This insurance applies only to accidents which occur during the policy period and within the United States of America, its territories or possessions, or Canada.

V. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**designated insured**" means an individual named in the schedule under **Designated Insured**;

"**highway vehicle**" means a land motor vehicle or trailer other than

- (a) a farm type tractor or other equipment designed for use principally off public roads, while not upon public roads;
- (b) a vehicle operated on rails or crawler-treads, or
- (c) a vehicle while located for use as a residence or premises;

"**hit-and-run vehicle**" means a **highway vehicle** which causes **bodily injury** to an **insured** arising out of physical contact of such vehicle with the **insured** or with a vehicle which the **insured** is **occupying** at the time of the accident, provided:

- (a) there cannot be ascertained the identity of either the operator or owner of such highway vehicle;
- (b) the **insured** or someone on his behalf shall have reported the accident within 24 hours to a police, peace or judicial officer or to the Commissioner of Motor Vehicles, and shall have filed with the **company** within 30 days thereafter a statement under oath that the **insured** or his legal representative has a cause or causes of action arising out of such accident for damages against a person or persons whose identity is unascertainable, and setting forth the facts or support thereof; and
- (c) at the **company's** request, the **insured** or his legal representative makes available for inspection the vehicle which the **insured** was **occupying** at the time of the accident;

"**insured highway vehicle**" means a **highway vehicle**:

- (a) described in the schedule as an **insured highway vehicle** to which the **bodily injury** liability coverage of the policy applies;
- (b) while temporarily used as a substitute for an **insured highway vehicle** as described in subparagraph (a) above, when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction;
- (c) while being operated by the **named** or **designated insured** or by the spouse of either if a resident of the same household; but the term "**insured highway vehicle**" shall not include:
 - (i) a vehicle while used as a public or livery conveyance, unless such use is specifically declared and described in this policy;
 - (ii) a vehicle while being used without the permission of the owner;
 - (iii) under subparagraphs (b) and (c) above, a vehicle owned by the **named insured**, any **designated insured** or any resident of the same household as the **named** or **designated insured**; or
 - (iv) under subparagraphs (b) and (c) above, a vehicle furnished for the regular use of the **named insured** or any resident of the same household;

"**occupying**" means in or upon or entering into or alighting from;

"**state**" includes the District of Columbia, a territory or possession of the United States, and a province of Canada;

"**uninsured highway vehicle**" means:

- (a) a **highway vehicle** with respect to the ownership, maintenance or use of which there is, in at least the amounts specified by the financial responsibility law of the **state** in which the **insured highway vehicle** is principally garaged, no **bodily injury** liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such vehicle, or with respect to which there is a **bodily injury** liability bond or **company** writing the sum denies coverage thereunder or is or becomes insolvent; or
 - (b) a **hit-and-run vehicle**;
- but the term "**uninsured highway vehicle**" shall not include:
- (i) an **insured highway vehicle**,
 - (ii) a **highway vehicle** which is owned or operated by a self-insurer within the meaning of any motor vehicle financial responsibility law, motor carrier law or any similar law,
 - (iii) a **highway vehicle** which is owned by the United States of America, Canada, a **state**, a political subdivision of any such government or an agency of any of the foregoing.

VI. ADDITIONAL CONDITIONS**Premium**

If during the policy period the number of **insured highway vehicles** owned by the **named insured** or spouse or the number of dealer's license plates issued to the **named insured** changes, the **named insured** shall notify the **company** during the policy period of any change and the premium shall be adjusted in accordance with the manuals in use by the **company**. If the earned premium thus computed exceeds the advance premium paid, the **named insured** shall pay the excess to the **company**; if less, the **company** shall return to the **named insured** the unearned portion paid by such **insured**.

Proof of Claim; Medical Reports

As soon as practicable, the **insured** or other person making claim shall give to the **company** written proof of claim, under oath if required, including full particulars of the nature and extent of the injuries, treatment, and other details entering into the determination of the amount payable hereunder. The **insured** and every other person making claim hereunder shall submit to examinations under oath by any person named by the **company** and subscribe the same, as often as may reasonably be required. Proof of claim shall be made upon forms furnished by the **company** unless the **company** shall have failed to furnish such forms within 15 days after receiving notice of claim.

The injured person shall submit to physical examinations by physicians selected by the **company** when and as often as the **company** may reasonably require and he, or in the event of his incapacity his legal representative, or in the event of his death his legal representative or the person or persons entitled to sue therefor, shall upon each request from the **company** execute authorization to enable the **company** to obtain medical reports and copies of records.

Assistance and Cooperation of the Insured

After notice of claim under this insurance, the **company** may require the **insured** to take such action as may be necessary or appropriate to preserve his right to recover damages from any person or organization alleged to be legally responsible for the **bodily injury**; and in any action against the **company**, the **company** may require the **insured** to join such person or organization as a party defendant.

Notice of Legal Action

If before the **company** makes payment of loss hereunder, the **insured** or his legal representative shall institute any legal action for **bodily injury** against any person or organization legally responsible for the use of a **highway vehicle** involved in the accident, a copy of the summons and complaint or other process served in connection with such legal action shall be forwarded immediately to the **company** by the **insured** or his legal representative.

Other Insurance

With respect to **bodily injury** to an **insured** while **occupying a highway vehicle** not owned by the **named insured**, this insurance shall apply only as excess insurance over any other similar insurance available to such **insured** and applicable to such vehicle as primary insurance, and this insurance shall then apply only in the amount by which the limit of liability for this coverage exceeds the applicable limit of liability of such other insurance.

Except as provided in the foregoing paragraph, if the **insured** has other similar insurance available to him and applicable to the accident, the damages shall be deemed not to exceed the higher of the applicable limits of liability of this insurance and such other insurance, and the **company** shall not be liable for a greater proportion of any loss to which this coverage applies than the limit of liability hereunder bears to the sum of the applicable limits of liability of this insurance and such other insurance.

Arbitration

If any person making claim hereunder and the **company** do not agree that such person is legally entitled to recover damages from the owner or operator of an **uninsured highway vehicle** because of **bodily injury** to the **insured**, or do not agree as to the amount of payment which may be owing under this insurance, then, upon written demand of either, the matter or matters upon which such person and the **company** do not agree shall be settled by arbitration, which shall be conducted in accordance with the rules of the American Arbitration Association unless other means of conducting the arbitration are agreed to between the **insured** and the **company**, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Such person and the **company** each agree to consider itself bound and to be bound by any award made by the arbitrators pursuant to this insurance.

Trust Agreement

In the event of payment to any person under this insurance:

- (a) the **company** shall be entitled to the extent of such payment to the proceeds of any settlement or judgment, that may result from the exercise of any rights of recovery of such person against any person or organization legally responsible for the **bodily injury** because of which such payment is made;
- (b) such person shall hold in trust for the benefit of the **company** all rights of recovery which he shall have against such other person or organization because of the damages which are the subject of claim made under this insurance;
- (c) such person shall do whatever is proper to secure and shall do nothing after loss to prejudice such rights;
- (d) if requested in writing by the **company**, such person shall take, through any representative designated by the **company**, such action as may be necessary or appropriate to recover such payment as damages from such other person or organization, such action to be taken in the name of such person; in the event of a recovery, the **company** shall be reimbursed out of such recovery for expenses, costs and attorneys' fees incurred

by it in connection therewith;

- (e) such person shall execute and deliver to the **company** such instruments and papers as may be appropriate to secure the rights and obligations of such person and the **company** established by this provision.

Payment of Loss by the Company

Any amount due hereunder is payable.

- (a) to the **insured**, or
- (b) if the **insured** be a minor to his parent or guardian, or
- (c) if the **insured** be deceased to his surviving spouse, otherwise
- (d) to a person authorized by law to receive such payment or to a person legally entitled to recover the damages which the payment represents;

provided, the **company** may at its option pay any amount due hereunder in accordance with division (d) hereof.

AUTOMOBILE PHYSICAL DAMAGE INSURANCE

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I. COVERAGE AGREEMENTS

1. The **company** will pay for loss to covered automobiles:

Comprehensive from any cause except **collision**; but, for the purpose of this coverage, breakage of glass and loss caused by missiles, falling objects, fire, theft or larceny, windstorm, hail, earthquake, explosion, riot or civil commotion, malicious mischief or vandalism, water, flood, or (as to a covered automobile of the **private passenger type**) colliding with a bird or animal, shall not be deemed loss caused by **collision**;

Fire, Lightning or Transportation caused by (a) fire or lightning, (b) smoke or smudge due to a sudden, unusual and faulty operation of any fixed heating equipment serving the premises in which the covered automobile is located or (c) the stranding, sinking, burning, collision or derailment of any conveyance in or upon which the covered automobile is being transported;

Theft caused by theft or larceny;

Windstorm, Hail, Earthquake or Explosion caused by windstorm, hail, earthquake or explosion;

Combined Additional caused by (a) windstorm, hail, earthquake or explosion, (b) riot or civil commotion, (c) the forced landing or falling of any aircraft or its parts or equipment, (d) malicious mischief or vandalism, (e) flood or rising waters, or (f) external discharge or leakage of water;

Collision caused by collision;

provided that, with respect to each covered automobile,

- (i) under the Comprehensive coverage (except as to loss from any of the causes described in the Fire, Lightning or Transportation coverage) and under the Collision coverage, such payment shall be only for the amount of each loss in excess of the deductible amount, if any, stated in the schedule as applicable thereto;
- (ii) under the Combined Additional coverage, \$25 shall be deducted from the amount of each loss caused by malicious mischief or vandalism.

2. The **company** will pay:

Towing for towing and labor costs necessitated by the disablement of covered automobiles, provided the labor is performed at the place of disablement.

Supplementary Payments In addition to the applicable limits of liability, the **company** will:

- (a) with respect to such transportation insurance as is afforded herein, pay general average and salvage charges for which the **named insured** becomes legally liable;
- (b) reimburse the **named insured**, in the event of a theft covered by this insurance of an entire covered automobile of the **private passenger type** (not used as a public or livery conveyance and not, at time of theft, being held for sale by an automobile dealer), for expense incurred for the rental of a substitute for such covered automobile during the period commencing 48 hours after such theft has been reported to the

company and the police and terminating, regardless of expiration of the policy period, when such covered automobile is returned to use or the **company** pays for the loss; but, as to any one such theft, such reimbursement shall not exceed \$10 for any one day nor \$300 total.

4. Such insurance as is afforded under each coverage applies separately to each covered automobile, and a land motor vehicle and one or more trailers or semi-trailers attached thereto shall be held to be separate covered automobiles as respects limits of liability and any deductible provisions applicable thereto.

Exclusions

This insurance does not apply:

- (a) to any covered automobile while used as a public or livery conveyance, unless such use is specifically declared and described in the schedule;
- (b) to damage which is due and confined to:
 - (i) wear and tear, or
 - (ii) freezing, or
 - (iii) mechanical or electrical breakdown or failure, unless such damage is the result of other loss covered by this insurance;
- (c) to tires, unless
 - (i) loss be coincident with and from the same cause as other loss covered by this insurance; or
 - (ii) damaged by fire (and, if a covered automobile of the **private passenger type**, by malicious mischief or vandalism) or stolen and, as to the covered automobile, loss caused by such damage or theft is covered by this insurance;
- (d) to loss due to
 - (i) war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
 - (ii) radioactive contamination;
- (e) to loss to
 - (i) any device or instrument designed for the recording, reproduction, or recording and reproduction of sound unless such device or instrument is permanently installed in the covered automobile;
 - (ii) any tape, wire, record disc or other medium for use with any device or instrument designed for the recording, reproduction, or recording and reproduction of sound;
- (f) to loss to a camper body designed for use with a covered automobile and not designated in the schedule and premium charged therefor if such camper body was owned at the inception of the policy period or the inception of any renewal or extension period thereof;
- (g) under the Comprehensive and Theft coverages, to loss or damage due to conversion, embezzlement or secretion by any person in possession of a covered automobile under a bailment lease, conditional sale, purchase agreement, mortgage or other encumbrance;
- (h) under the Collision coverage, to breakage of glass if insurance with respect to such breakage is otherwise afforded herein;
- (i) under the Windstorm, Hail, Earthquake or Explosion and Combined Additional coverages, to loss resulting from rain, snow or sleet, whether or not wind-driven.

LIMITS OF LIABILITY

1. The limit of the **company's** liability for **loss** to any one **covered automobile** shall not exceed the least of the following amounts:

- the actual cash value of such **covered automobile**, or if the **loss** is to a part thereof the actual cash value of such part, at time of **loss**; or
- what it would then cost to repair or replace such **covered automobile** or part thereof with other of like kind and quality, with deduction for depreciation; or
- the limit of liability stated in the schedule as applicable to "each **covered automobile**" under the coverage afforded for the **loss** to such **covered automobile**, provided that if such limit of liability is expressed as a stated amount it shall, with respect to a **covered automobile** newly acquired during the policy period and not described in the schedule, be deemed as having been replaced by "actual cash value";

and (if this insurance is stated in the declarations as being "Fleet Automatic"), subject to the above provisions, shall not in any event exceed the amount, if any, stated in the schedule as the "maximum limit of liability" applicable to "any one **covered automobile**".

2. If this insurance is stated in the declarations as being "Fleet Automatic", the total limit of the **company's** liability for all **loss** directly attributable to a single happening out of which **loss** occurs shall not exceed:

- as to all **covered automobiles** at any one location, the amount, if any, stated in the schedule as the "maximum limit of liability" applicable thereto, subject to the above provisions respecting any one **covered automobile**;
- as to all **covered automobiles**, the amount, if any, stated in the schedule as the "maximum limit of liability" applicable thereto, subject to the above provisions respecting (i) any one **covered automobile** and (ii) any one location.

III. POLICY PERIOD; TERRITORY; PURPOSES OF USE

This insurance applies only to **loss** which occurs during the policy period, while the **covered automobile** is within the United States of America, its territories or possessions, or Canada, or is being transported between ports thereof and, if a **covered automobile** described in the schedule, is maintained and used for the purposes stated therein as applicable thereto.

IV. ADDITIONAL DEFINITIONS

When used in reference to this insurance (including endorsements forming a part of the policy):

"**camper body**" means a body designed to be mounted upon a **covered automobile** and equipped as sleeping or living quarters;

"**collision**" means

- collision of a **covered automobile** with another object or with a vehicle to which it is attached, or
- upset of such **covered automobile**;

"**commercial type**" means (if this insurance is stated in the declarations as being "Fleet Automatic");

- a land motor vehicle of the truck, pick-up, express, sedan or panel delivery type, including truck-type tractors, trailers and semi-trailers, used for the transportation or delivery of goods or merchandise or for other business purposes, or

- an altered **private passenger type** vehicle used for retail or wholesale delivery;

"**covered automobile**" means a land motor vehicle, trailer or semi-trailer, including its equipment and other equipment permanently attached thereto (but not including robes, wearing apparel or personal effects), which is either

- designated in the schedule, by description or otherwise, as a **covered automobile** to which this insurance applies and is:

- owned by the **named insured**, or

- (if this insurance is stated in the declarations as being "Fleet Automatic") leased to the **named insured** for a term of not less than one year under an agreement expressly prohibiting any right of the lessor or owner to use such vehicle during the term of such lease except either as an operator employed by the **named insured** or for its repair or exchange; or,

- if not so designated, such vehicle is newly acquired by the **named insured** during the policy period provided, however, that:

- it replaces a described **covered automobile**, or as of the date of its delivery this insurance applies to all **covered automobiles**, and

- the **named insured** notifies the **company** within 30 days following such delivery date;

but "**covered automobile**" does not include a vehicle owned by or registered in the name of any individual partner or executive officer of the **named insured**, unless specifically stated otherwise by endorsement forming a part of the policy;

"**loss**" means direct and accidental loss or damage;

"**private passenger type**" means a 4-wheel land motor vehicle of the private passenger or station wagon type;

as to "**purposes of use**":

"**commercial**" means use principally in the business occupation of the **named insured** as stated in the declarations, including occasional use for personal, pleasure, family and other business purposes;

"**pleasure and business**" means personal pleasure, family and business use.

V. CONDITIONS

None of the Conditions of the policy shall apply to this insurance except "Premium", "Inspection and Audit", "Subrogation", "Changes", "Assignment", "Cancellation", and "Declarations". This insurance shall also be subject to the following additional Conditions:

Named Insured's Duties in Event of Loss In the event of **loss** the **named insured** shall:

- protect the **covered automobile**, whether or not this insurance applies to the **loss**, and any further loss or damage due to the **named insured's** failure to protect shall not be recoverable under this insurance; reasonable expenses incurred in affording such protection shall be deemed incurred at the **company's** request;

- give notice thereof as soon as practicable to the **company** or any of its authorized agents and also, in the event of theft or larceny, to the police;

- file with the **company**, within 91 days after **loss**, his sworn proof of **loss** in such form and including such information as the **company** may reasonably require and, upon the **company's** request, shall exhibit the damaged property and submit to examination under oath;

- cooperate with the **company** and, upon the **company's** request, shall assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **named insured** because of **loss** with respect to which this insurance applies; and shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses;

but the **named insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation, offer or pay any reward for recovery of stolen property or incur any expense other than as specifically provided in this insurance.

Payment for Loss With respect to any **loss** covered by this insurance, the **company** may pay for said **loss** in money, or may:

- repair or replace the damaged or stolen property, or
- return at its expense any stolen property to the **named insured**, with payment for any resultant damage thereto, at any time before the **loss** is so paid or the property is so replaced, or
- take all or any part of the damaged or stolen property of the agreed or appraised value;

but there shall be no abandonment to the **company**.

Appraisal If the **named insured** and the **company** fail to agree as to the amount of **loss**, either may, within 60 days after proof of **loss** is filed, demand an appraisal of the **loss**. In such event the **named insured** and the **company** shall each select a competent appraiser, and the appraisers shall select a competent and disinterested umpire. The appraisers shall state separately the actual cash value and the amount of **loss** and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of **loss**. The **named insured** and the **company** shall each pay its chosen appraiser and shall bear equally the other expenses of the appraisal and umpire.

The **company** shall not be held to have waived any of its rights by any act relating to appraisal.

Action Against Company No action shall lie against the **company** unless, as a condition precedent thereto, there shall have been full compliance with

all the terms of this insurance nor until 30 days after proof of **loss** is filed and the amount of **loss** is determined as provided in this insurance.

Other Insurance If the **named insured** has other insurance against a **loss** covered by this insurance, the **company** shall not be liable under this insurance for a greater proportion of such **loss** than the applicable limit of liability stated in the schedule bears to the total applicable limit of liability of all valid and collectible insurance against such **loss**; provided, however, with respect to any **covered automobile** newly acquired during the

policy period and not described in the schedule, this insurance shall not apply to any **loss** against which the **named insured** has other valid and collectible insurance.

No Benefit to Bailee None of the provisions of this insurance shall inure directly or indirectly to the benefit of any carrier or other bailee for hire.

Terms of Insurance Terms of this insurance which are in conflict with the statutes of the state wherein this insurance is issued are hereby amended to conform to such statutes.



GENERAL PROVISIONS FOR LIABILITY POLICIES

DEFINITIONS

When used in this policy (including endorsements forming a part hereof):

"automobile" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, (including any machinery or apparatus attached thereto), but does not include **mobile equipment**;

"bodily injury" means bodily injury, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting therefrom;

"collapse hazard" includes "structural property damage" as defined herein and **property damage** to any other property at any time resulting therefrom. "Structural property damage" means the collapse of or structural injury to any building or structure due to (1) grading of land, excavating, borrowing, filling, back-filling, tunneling, pile driving, cofferdam work or caisson work or (2) moving, shoring, underpinning, raising or demolition of any building or structure or removal or rebuilding of any structural support thereof. The **collapse hazard** does not include **property damage** (1) arising out of operations performed for the **named insured** by independent contractors, or (2) included within the **completed operations hazard** or the **underground property damage hazard**, or (3) for which liability is assumed by the **insured** under an **incidental contract**;

"completed operations hazard" includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs after such operations have been completed or abandoned and occurs away from premises owned by or rented to the **named insured**. "Operations" include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- (1) when all operations to be performed by or on behalf of the **named insured** under the contract have been completed,
- (2) when all operations to be performed by or on behalf of the **named insured** at the site of the operations have been completed, or
- (3) when the portion of the work out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete, shall be deemed completed.

The **completed operations hazard** does not include **bodily injury** or **property damage** arising out of

- (a) operations in connection with the transportation of property, unless the **bodily injury** or **property damage** arises out of a condition in or on a vehicle created by the loading or unloading thereof,
- (b) the existence of tools, uninstalled equipment or abandoned or unused materials, or
- (c) operations for which the classification stated in the policy or in the **company's** manual specifies "including completed operations";

"elevator" means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances thereof including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery, or any hydraulic or mechanical hoist used for raising or lowering **automobiles** for lubricating and servicing or for dumping material from trucks; but does not include an **automobile** servicing hoist, or a hoist without a platform outside a building if without mechanical power or if not attached to building walls, or a hod or material hoist used in alteration, construction or demolition operations, or an inclined conveyor used exclusively for carrying property or a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet;

"explosion hazard" includes **property damage** arising out of blasting or explosion. The **explosion hazard** does not include **property damage** (1) arising out of the explosion of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment, or (2) arising out of operations performed for the **named insured** by independent contractors, or (3) included within the **completed operations hazard** or the **underground property damage hazard**, or (4) for which liability is assumed by

the **insured** under an **incidental contract**;

"incidental contract" means any written (1) lease of premises, (2) easement agreement, except in connection with construction or demolition operations on or adjacent to a railroad, (3) undertaking to indemnify a municipality required by municipal ordinance, except in connection with work for the municipality, (4) sidetrack agreement, or (5) **elevator** maintenance agreement;

"insured" means any person or organization qualifying as an insured in the "Persons Insured" provision of the applicable insurance coverage. The insurance afforded applies separately to each **insured** against whom claim is made or suit is brought, except with respect to the limits of the **company's** liability;

"mobile equipment" means a land vehicle (including any machinery or apparatus attached thereto), whether or not self-propelled, (1) not subject to motor vehicle registration, or (2) maintained for use exclusively on premises owned by or rented to the **named insured**, including the ways immediately adjoining, or (3) designed for use principally off public roads, or (4) designed or maintained for the sole purpose of affording mobility to equipment of the following types forming an integral part of or permanently attached to such vehicle: power cranes, shovels, loaders, diggers and drills, concrete mixers (other than the mix-in-transit type); graders, scrapers, rollers and other road construction or repair equipment; air-compressors, pumps and generators, including spraying, welding and building cleaning equipment; and geophysical exploration and well servicing equipment;

"named insured" means the person or organization named in Item 1, of the declarations of this policy;

"named insured's products" means goods or products manufactured, sold, handled or distributed by the **named insured** or by others trading under his name, including any container thereof (other than a vehicle), but **"named insured's products"** shall not include a vending machine or any property other than such container, rented to or located for use of others but not sold;

"occurrence" means an accident, including continuous or repeated exposure to conditions, which results in **bodily injury** or **property damage** neither expected nor intended from the standpoint of the **insured**;

"policy territory" means:

- (1) the United States of America, its territories or possessions, or Canada, or
- (2) international waters or air space, provided the **bodily injury** or **property damage** does not occur in the course of travel or transportation to or from any other country, state or nation; or
- (3) anywhere in the world with respect to damages because of **bodily injury** or **property damage** arising out of a product which was sold for use or consumption within the territory described in paragraph (1) above, provided the original suit for such damages is brought within such territory;

"products hazard" includes **bodily injury** and **property damage** arising out of the **named insured's products** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occurs away from premises owned by or rented to the **named insured** and after physical possession of such products has been relinquished to others;

"property damage" means (1) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period;

"underground property damage hazard" includes underground property damage as defined herein and **property damage** to any other property at any time resulting therefrom. "Underground property damage" means **property damage** to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and any apparatus in connection therewith, beneath the surface of the ground or water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, borrowing, filling, back-filling or pile driving. The **underground property damage hazard** does not include **property damage** (1) arising out of operations performed for the **named insured** by independent contractors, or (2) included within the **completed operations hazard**, or (3) for which liability is assumed by the **insured** under an **incidental contract**.

SUPPLEMENTARY PAYMENTS

The **company** will pay, in addition to the applicable limit of liability;

- (a) all expenses incurred by the **company**, all costs taxed against the **insured** in any suit defended by the **company** and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the **company** has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the **company's** liability thereon;
- (b) premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this

policy, and the cost of bail bonds required of the **insured** because of accident or traffic law violation arising out of the use of any vehicle to which this policy applies, not to exceed \$250 per bail bond, but the **company** shall have no obligation to apply for or furnish any such bonds;

- (c) expenses incurred by the **insured** for first aid to others at the time of an accident, for **bodily injury** to which this policy applies;
- (d) reasonable expenses incurred by the **insured** at the **company's** request in assisting the **company** in the investigation or defense of any claim or suit, including actual loss of earnings not to exceed \$25 per day.

NUCLEAR ENERGY LIABILITY EXCLUSION (Broad Form)

I. This policy does not apply:

A. Under any Liability Coverage, to **bodily injury** or **property damage**

- (1) with respect to which an **insured** under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) resulting from the **hazardous properties** of **nuclear material** and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

B. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.

C. Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if

- (1) the **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of, an **insured** or (b) has been discharged or dispersed therefrom;
- (2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or
- (3) the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to **property damage** to such

nuclear facility and any property thereat.

II. As used herein:

"**hazardous properties**" include radioactive, toxic or explosive properties,

"**nuclear material**" means **source material**, **special nuclear material** or **byproduct material**;

"**source material**", "**special nuclear material**", and "**byproduct material**" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof,

"**spent fuel**" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;

"**waste**" means any waste material (1) containing **byproduct material** and (2) resulting from the operation by any person or organization of any **nuclear facility** included within the definition of **nuclear facility** under paragraph (a) or (b) thereof,

"**nuclear facility**" means

- (a) any **nuclear reactor**,
- (b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**,
- (c) any equipment or device used for the processing, fabricating or alloying of **special nuclear material** if at any time the total amount of such material in the custody of the **insured** at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations,

"**nuclear reactor**" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"**property damage**" includes all forms of radioactive contamination of property.

CONDITIONS

1. Premium

All premiums for this policy shall be computed in accordance with the **company's** rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

Premium designated in this policy as "advance premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each period (or part thereof terminating with the end of the policy period) designated in the declarations as the audit period the earned premium shall be computed for such period and, upon notice thereof to the **named insured**, shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, the **company** shall return to the **named insured** the unearned portion paid by the **named insured**.

The **named insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such records to the **company** at the end of the policy period and at such times during the policy period as the **company** may direct.

2. Inspection and Audit

The **company** shall be permitted but not obligated to inspect the **named insured's** property and operations at any time. Neither the **company's** right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **named insured** or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.

The **company** may examine and audit the **named insured's** books and records at any time during the policy period and extensions thereof and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

3. Financial Responsibility Laws

When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for **bodily injury** liability or for **property damage** liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The **insured** agrees to reim-

burse the **company** for any payment made by the **company** which it would not have been obligated to make under the terms of this policy except for the agreement contained in this paragraph.

4. Insured's Duties in the Event of Occurrence, Claim or Suit

- (a) In the event of an **occurrence**, written notice containing particulars sufficient to identify the **insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the **insured** to the **company** or any of its authorized agents as soon as practicable.
- (b) If claim is made or suit is brought against the **insured**, the **insured** shall immediately forward to the **company** every demand, notice, summons or other process received by him or his representative.
- (c) The **insured** shall cooperate with the **company** and, upon the **company's** request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **insured** because of injury or damage with respect to which insurance is afforded under this policy; and the **insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **insured** shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

5. Action Against Company

No action shall lie against the **company** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of the **insured's** obligation to pay shall have been finally determined either by judgment against the **insured** after actual trial or by written agreement of the **insured**, the claimant and the **company**.

Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **company** as a party to any action against the **insured** to determine the **insured's** liability, nor shall the **company** be impleaded by the **insured** or his legal representative. Bankruptcy or insolvency of the **insured** or of the **insured's** estate shall not relieve the **company** of any of its obligations hereunder.

6. Other Insurance

The insurance afforded by this policy is primary insurance, except when stated to apply in excess of or contingent upon the absence of other insurance. When this insurance is primary and the **insured** has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of the **company's** liability under this policy shall not be reduced by the existence of such other insurance.

When both this insurance and other insurance apply to the loss on the same basis, whether primary, excess or contingent, the **company** shall not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

- (a) **Contribution by Equal Shares.** If all of such other valid and collectible insurance provides for contribution by equal shares, the **company** shall not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so

paid the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limit in full or the full amount of the loss is paid.

- (b) **Contribution by Limits.** If any of such other insurance does not provide for contribution by equal shares, the **company** shall not be liable for a greater proportion of such loss than the applicable limit of liability under this policy for such loss bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

7. Subrogation

In the event of any payment under this policy, the **company** shall be subrogated to all the **insured's** rights of recovery therefor against any person or organization and the **insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **insured** shall do nothing after loss to prejudice such rights.

8. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the **company** from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

9. Assignment

Assignment of interest under this policy shall not bind the **company** until its consent is endorsed hereon; if, however, the **named insured** shall die, such insurance as is afforded by this policy shall apply (1) to the **named insured's** legal representative, as the **named insured**, but only while acting within the scope of his duties as such, and (2) with respect to the property of the **named insured**, to the person having proper temporary custody thereof, as **insured**, but only until the appointment and qualification of the legal representative.

10. Three Year Policy

If this policy is issued for a period of three years, any limit of the **company's** liability stated in this policy as "aggregate" shall apply separately to each consecutive annual period thereof.

11. Cancellation

This policy may be cancelled by the **named insured** by mailing to the **company** written notice stating when thereafter the cancellation shall be effective. This policy may be cancelled by the **company** by mailing to the **named insured** at the address shown in this policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the **named insured** or by the **company** shall be equivalent to mailing.

If the **named insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the **company** cancels, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

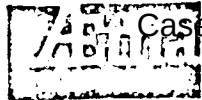
12. Declarations

By acceptance of this policy, the **named insured** agrees that the statements in the declarations are his agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between himself and the **company** or any of its agents relating to this insurance.

IN WITNESS WHEREOF, The Aetna Casualty and Surety Company has caused this policy to be signed by its President and a Secretary at Hartford, Connecticut, and countersigned on the declarations page by a duly authorized agent of the Company.

Howard G. Moreen
Secretary

Donald M. Johnson
President



LIFE & CASUALTY

THE AETNA CASUALTY AND SURETY COMPANY
Hartford, Connecticut 06115

These Declarations and Products Liability Insurance Coverage
Part and Endorsements, with the General Provisions for
Liability Policies, complete this

PRODUCTS BODILY INJURY AND PROPERTY DAMAGE LIABILITY POLICY

1. NAMED INSURED Johnson & Johnson (See Section II)
AND ADDRESS New Brunswick, New Jersey

POLICY NUMBER 38 PK 04 SOA(Y)

2. Policy Period
From 1-1-73 to 1-1-74 12:01 A.M.
Standard Time at the address of the
named insured as stated herein.

3. The limits of the Company's liability shall be as stated herein, subject
to all the terms of this policy having reference thereto.

Limits of Liability

<u>Coverage</u>	<u>Each Claim</u>	<u>Aggregate per Product</u>	<u>General Aggregate</u>
Bodily Injury and Property Damage Liability Combined	\$5,000,000	\$5,000,000	\$5,000,000

4. Deductible Amount: \$2,000,000 Each Claim
\$2,500,000 Per Product Aggregate
\$3,000,000 General Aggregate

5. Premium subject to audit:
Flat Charge:
Total advance and Minimum premium

6. Rates: See Section VI

7. During the past three years no insurer has cancelled insurance, issued to
the Named Insured, similar to that afforded herein, unless otherwise stated
herein:

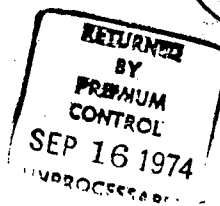
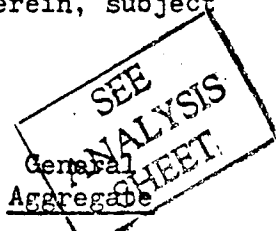
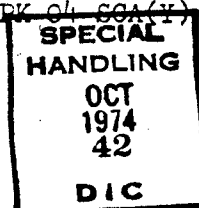
Countersigned by

Peter B. [Signature]

(3-29-74)

Home Office Copy

H. O. COPY



I. BODILY INJURY LIABILITY - PROPERTY DAMAGE LIABILITY

The Company will pay on behalf of the Insured all sums which the Insured shall become legally obligated to pay as Damages because of Bodily Injury or Property Damage to which this insurance applies, caused by an Occurrence, if the Bodily Injury or Property Damage is included within the Products Hazard, and the Company shall have the right and duty to defend any suit against the Insured seeking Damages on account of such Bodily Injury or Property Damage even if any of the allegations of the suit are groundless, false or fraudulent, and may make such investigation and settlement of any claim or suit as it deems expedient, but the Company shall not be obligated to pay any claim or judgement or to defend any suit after the applicable limit of the Company's liability has been exhausted by payment of judgements or settlement.

Exclusions

This insurance does not apply:

- (a) to any obligation for which the Insured or any carrier as his insurer may be held liable under any Workmen's Compensation, unemployment compensation or disability benefits law, or under any similar law;
- (b) to bodily injury to any employee of the insured arising out of and in the course of his employment by the insured or to any obligation of the insured to indemnify another because of damages arising out of such injury; but this exclusion does not apply to liability assumed by the insured under a contract.
- (c) to loss of use of tangible property which has not been physically injured or destroyed resulting from
 - (1) delay in or lack of performance by or on behalf of the named insured of any contract or agreement, or
 - (2) the failure of the named insured's product to meet the level of performance, quality, fitness or durability warranted or represented by the named insured;

but this exclusion does not apply to loss of use of other tangible property resulting from the sudden and accidental physical injury to or destruction of the named insured's products after such products have been put to use by any person or organization other than an insured;

- (d) to Property Damage to the Named Insured's products arising out of such products or any part of such products;
- (e) to Damages claimed for the withdrawal, inspection, repair, replacement or loss of use of the Named Insured's products or of any property of which such products form a part, if such products or property are withdrawn from the market or from use because of any known or suspected defect in or deficiency therein,

~ (3-29-74)

II. PERSONS INSURED

Each of the following is an Insured under this insurance to the extent set forth below:

- (a) the Named Insured, which shall read: Johnson & Johnson and any affiliated, associated or subsidiary company in any tier as now or hereafter may be formed, acquired or constituted or any other company over which Johnson & Johnson has or acquires active control or management, so long as Johnson & Johnson or such affiliated, associated or subsidiary company, or any combination thereof, owns in excess of 50% of the stock of such company;
- (b) any officer, director, stockholder or employee thereof while acting on behalf of the Named Insured.
- (c) any person or organization (herein referred to as "Vendor") as an insured, but only with respect to Bodily Injury or Property Damage arising out of the distribution or sale in the regular course of the Vendor's business of the Named Insured's Products subject to the following additional provisions:
 - (1) The insurance with respect to Vendors does not apply to:
 - a. any express warranty unauthorized by the Named Insured;
 - b. Bodily Injury or Property Damage arising out of
 - (I) any physical or chemical change in the form of the product made intentionally by the Vendor.
 - (II) repacking, unless unpacked solely for the purpose of inspection or testing under instructions from the manufacturer and then repacked in the original container.
 - (III) rendering of or failure to render any professional service.

This insurance does not apply to Bodily Injury or Property Damage arising out of the conduct of any partnership or joint venture of which the Insured is a partner or member and which is not designated in this policy as a Named Insured.

III. LIMITS OF LIABILITY

Regardless of the number of (1) insureds under this policy, (2) persons who sustain Bodily Injury or Property Damage, or (3) claims made or suits brought on account of Bodily Injury or Property Damage, the Company's liability is limited as follows:

The limit of liability stated in the declaration as applicable to "each claim" is the total limit of the Company's liability for all Damages and for all expenses incurred under the Supplementary Payments Provisions (other than salaries of the Company's employees) because of Bodily Injury or Property Damage to any one person.

Subject to the above provisions respecting "each claim", the limit of liability stated in the declaration as "aggregate per product" is the total limit of the Company's liability during the policy period for all Damages and for all expenses incurred under the Supplementary Payments Provision (other than salaries of the Company's employees) because of all Bodily Injury or Property Damage arising out of each product.

Subject to the above provisions respecting "each claim" and "aggregate per product" the limit of liability stated in the declarations as "general aggregate" is the total limit of the Company's liability during the policy period for all Damages and for all expenses incurred under the Supplementary Payments Provision (other than salaries of the Company's employees) to which this coverage applies.

Subject to the above provisions respecting "each claim", "aggregate per product" and "general aggregate" the limit of the Company's liability shall be the difference between any deductible amount stated in the policy and the limit of liability stated in the declaration page.

For the purpose of determining the limit of the Company's liability and the deductible amount each product shall be considered as a separate product from any other product which contains the same active ingredient or ingredients plus one or more other active ingredients (active ingredients do not include fillers, dyes or flavoring). A product shall not be considered to be a separate product solely because it is produced in various vehicles, dosages or strengths. All oral contraceptives shall be considered as one drug product.

IV. AMENDMENT TO SUPPLEMENTARY PAYMENTS PROVISION

Any payments made by the Company under the Supplementary Payments Provision (exclusive of salaries of the Company's employees) shall not be in addition to the limits of liability stated in the declarations, but shall, for the purpose of determining such limits of liability, be a part thereof.

V. WORLDWIDE COVERAGE (INDEMNITY BASIS)

It is agreed that the insurance afforded also applies to Bodily Injury or Property Damage which occurs, during the policy period, outside the Policy Territory, provided such Bodily Injury or Property Damage is included in the Completed Operations Hazard or Products Hazard.

With respect to any claim made or suit instituted outside the Policy Territory:

- (a) the Insured shall undertake the investigation, settlement and defense of such claims and suits and keep the Company advised of all such proceedings and actions, and
- (b) the Company's obligation under this policy shall be limited to reimbursement of the Insured

- (1) for the amount of damages because of liability imposed upon him by law on account of Bodily Injury or Property Damage to which the insurance applies, and
- (2) for all reasonable expenses incurred in connection with the investigation, settlement or defense of such claims or suits, and the Company's reimbursement obligation for the sum of all damages imposed on and expenses incurred by the Insured shall be limited to the amount stated in the policy as the applicable limit of the Company's liability for damages but the Company may, at its discretion, participate in the defense or settlement of any such claim or suit.

VI. RATES

The "premium subject to audit" portion of this policy shall be adjusted on the following rates:

<u>Estimated Sales</u>	<u>Rates Per \$1,000</u>	<u>Estimated Premiums</u>
Prescription Drugs - [REDACTED]	[REDACTED]	[REDACTED]
All other Products - [REDACTED]	[REDACTED]	[REDACTED]

The premium developed by these rates on audit plus the deductible flat charge are subject to a policy minimum premium of \$325,624.

AETNA CASUALTY AND SURETY COMPANY

BY [Signature]

(3-29-74)

(3-29-74)